

May 21, 2009

Meeting Minutes of the Board of Directors

Directors Present: Alan Berryman, Dennis Bode, Lisa Darling, Kim Hutton,
John Kolanz, Randy Rhodes and Kevin Urie

Directors Absent: Greg Dewey and Dennis Harmon

1. CALL TO ORDER / INTRODUCTIONS

Lisa Darling, President of SPWRAP, called the SPWRAP Board of Directors Meeting to order at 10:00 am at Aurora Water. There was a quorum of Directors.

2. ADDITIONS/CHANGES TO THE AGENDA

There was one addition/change to the agenda: discuss individual SPWRAP and Chatfield Reallocation membership for those solely covered by South Metro Authority membership.

3. MINUTES FROM THE MARCH 19, 2009 BOARD MEETING

No changes were made to the minutes. Kevin Urie mentioned that in addition to the Heyborne Recharge Project link on page 2 of the March minutes, there is also a link to a copy of the Division of Wildlife MOU. This additional information was not added to the March 19, 2009 minutes.

MOTION: Kevin Urie moved that the board approve the minutes from the March 19, 2009 board meeting. Randy Rhodes seconded the motion and it was approved unanimously.

4. FINANCIAL REPORT

Kevin Urie presented the SPWRAP financial report. He provided those present at the meeting with a copy of the January 1, 2009 – May 21, 2009 Profit & Loss Statement. He informed the group that all balances have been reconciled through April and nearly all past members renewed in 2009. The net income is currently \$965,175.50. Kevin identified a recent transfer of \$900,000.00 to ColoTrust and three invoices that need to be paid:

- Duncan, Ostrander & Dingess for legal services -- \$1,345.58
- Hunt, Spillman & Assoc. for monthly bookkeeping (February) -- \$95.00
- Trout, Raley, Montano, Witwer & Freeman, P.C. for legal services – \$3,395.00

MOTION: Randy Rhodes moved that the board approve payment of the bills listed in the financial report. Dennis Bode seconded the motion and it was approved unanimously by the directors present.

5. UPDATE ON PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM (PRRIP) ACTIVITIES

- US FISH & WILDLIFE SERVICE

Alan Berryman provided an update on recent PRRIP activities. He attended the PRRIP Governance Committee meeting in April. During the April meeting there was talk of hiring Riverside Technology Inc. to work on database collection and monitoring. In addition, there has been a push from the US Fish and Wildlife Service (USFWS) to begin using group milestones. Lisa Darling asked if SPWRAP should invite someone from the USFWS to attend meetings. It was decided that an open invitation would be extended to the USFWS for all regular SPWRAP meetings.

- NATURAL HIGH FLOW EVENT

Alan also discussed the recent report that was put out on the Natural High Flow Event that occurred this year in the central Platte. The high flow event detailed in the report was determined to be 12,300 cfs. The emphasis of the discussion was on phragmites control and mechanical management. Phragmites, an invasive species, is growing at an alarming rate blocking the braided areas of the central Platte River and affects the Programs ability to provide short-duration high flows (pulse flows). Alan asked if SPWRAP should consider investing money in phragmites treatment, mechanical removal, or management. Lisa Darling inquired if anyone knew of any academic efforts SPWRAP could support related to phragmites. Ted Kowalski identified an expert out of North Carolina that SPWRAP could potentially use to develop more information on phragmites, investigate the causes, and make a presentation to the Governance Committee. Austin Hamre concurred that using an expert may be helpful in determining if phragmites are drought related.

- ACCOMPLISHMENTS REPORT

Alan Berryman provided the board members with copies of the 2007 & 2008 Accomplishments Report. He commented that the sections on the Land Plan were noteworthy.

- MOU COMMITTEE

Ted Kowalski reported on the meeting he attending with the MOU committee. They are considering an MOU with the Nebraska Power Districts to expand Elwood and J2. The agreement is progressing slowly, however, they are moving forward with the feasibility studies. He also noted that Nebraska is requesting to contribute money as part of their Depletions Plan. SPWRAP should expect to see a memo outlining the request soon.

Ted informed the group that the Species Conservation Trust Fund recently received \$4 million bringing the total to nearly \$20 million. Over the next six years, approximately \$6 million more will need to be collected to meet Colorado's obligation. Ted also notified the board members that it will be important to draft letters of support to our representatives during the June / July timeframe. The Appropriations Committee will be reviewing the project funds shortly.

- WATER ADVISORY COMMITTEE (WAC)

Jon Altenhofen announced he will be making a presentation on the Future Depletion Plan at the next WAC meeting. It will be held July 21st in Ogallala. Thus far, he hasn't received any feedback on the draft plan. Deb Freeman agreed to speak to Don Anderson to request that the USFWS review the plan and provide Jon with feedback before the July presentation. Jon also notified the group that the WAC is considering Tamarack 3 as the future project with the most promise. It is currently the most developed and affordable plan. He noted that Tamarack 1, Tamarack 2, and the Future Depletions Plan must be completed before Tamarack 3 can be considered. Alan Berryman and Ted Kowalski both commented that Tamarack 3 must be explored by SPWRAP and we must understand our own capacity before it progresses any further.

6. SPWRAP ADMINISTRATIVE & CORPORATE ISSUES

Lisa Darling announced that drafts of the bylaw changes have been sent out to members. The changes are related to adjusting the meeting schedule. The number of meetings will be shortened to six per year. Kevin Urie and John Kolanz both questioned whether the tour should be guaranteed in the Resolution. Lisa said it can be reevaluated each year. She also noted that SPWRAP may not want to tie an annual meeting to the South Platte Forum in the future in case there is a year it is not held. The group decided that can also be re-evaluated at the end of the year.

MOTION: Randy Rhodes moved to approve the revised bylaws. Kevin Urie seconded the motion and it was approved unanimously. Greg Dewey will send out notice of the Resolution.

Lisa also asked those in attendance if it would be possible to move the 2009 tour to July 23rd. No one opposed the change and the date was pushed out a week to July 23, 2009. The board will start working on an agenda and coordinating presentations with specific locations of interest. John Altenhofen suggested having lunch at Tamarack.

Lisa asked those at the meeting if it would be necessary to hire someone to help with administrative duties. Kevin Urie stated that he is going to have a discussion with Greg Dewey and Alan Berryman regarding shifting various efforts around to others. He will report back during the next meeting.

7. MOA BETWEEN USFWS, COLORADO, AND SPWRAP

Deb Freeman provided the group with hard copies of the draft MOA between USFWS, Colorado, and SPWRAP. She also emailed electronic copies out to the board members prior to the meeting. The MOA has been reviewed and is in its final, proposed form. The MOA allows for coverage of 87.5 acre-feet, 1/4 of the 350 acre-feet annual obligation, of federal depletions in the South Platte and Laramie River Basins during the first increment in exchange for \$2,500.00.

MOTION: John Kolanz moved to approve and execute the MOA. The motion was seconded by Dennis Bode and was approved unanimously.

8. MOA BETWEEN USFWS, CO, SPWRAP, AND JACKSON COUNTY WATER CONSERVANCY DIST.

Deb Freeman introduced the proposed MOA between USFWS, Colorado, SPWRAP and Jackson County Water Conservancy District (JCWCD). The MOA will allow for coverage of 87.5 acre-feet of federal depletions from the North Platte Basin during the first increment. She informed the group that the North Platte Depletions Plan differs from that of the South Platte because it uses several consumptive use Baseline Entitlements. Under the proposed amendment to the North Platte Future Depletions Plan, there would be a Single Bucket consumptive use concept to cover all new uses within the overall entitlement. This would provide more flexibility for JCWCD as new industry, etc. come into play. Carl Trick, a representative from JCWCD, conveyed their desire to preserve their irrigation depletion analysis. He noted a few provisions that need to be clearer in the agreement. The JCWCD would like the \$2,500.00 payment to be credited towards their SPWRAP assessments. The group also wants JCWCD to be the clearing house for requests coming through the County for entitlements. JCWCD's SPWRAP assessment would be approximately \$600.00 per year. SPWRAP agreed that it would be reasonable to allow JCWCD to use their \$2,500.00 credit towards their assessments until it was spent out. Ted Kowalski and Deb Freeman announced that they will be visiting with JCWCD next week to discuss the MOA. The proposed MOA and proposed Future Depletions Plan amendment have not been presented to the USFWS or Program Governance Committee for approval at this time.

MOTION: Alan Berryman moved to support the JCWCD MOA concepts, including the Single Bucket concept. The motion was seconded by John Kolanz and was approved unanimously.

Deb Freeman will begin moving the MOA forward. Lisa Darling asked her to notify the board when SPWRAP needs to take the next step.

9. REPORT FROM DUCKS UNLIMITED

Greg Kernohan reported that the Heyborne Project construction has been completed. A meter was recently fixed and approximately 214 acre-feet has come through the project between April 23rd and May 15th. He noted that SPWRAP would be receiving a bill for the project shortly. He also announced that Ducks Unlimited has been working on a few new projects and water modeling. He hopes they will have more to present on the new projects during the next meeting. Lisa Darling asked if Ducks Unlimited would like to make a presentation during the summer tour and Greg confirmed that they would be interested.

10. SPWRAP MEMBERSHIP FOR SOUTH METRO WATER SUPPLY AUTHORITY/CHATFIELD REALLOCATION MEMBERS

Rick McCloud initiated discussion regarding the requirement that all parties participating in the Chatfield Reallocation also be members of SPWRAP. In the past, the South Metro Water Authority (South Metro) covered their members under an umbrella SPWRAP membership. Rick suggested that situation may no longer be effective as some members of South Metro are also trying to pursue Chatfield storage on their own, in addition to pursuing their portion of the South Metro space. Currently, the only entities falling into this category are Stonegate and Pinery. He proposed that SPWRAP categorize South

Metro as a Miscellaneous User and assess them at the \$50 level since they do not actually provide water. In addition, Stonegate and Pinery would begin paying individual SPWRAP payments based on the amount of treated water they each provide. Lisa Darling asked if the two entities should be assessed interest from previous years' assessments since they thought they were covered under South Metro. John Kolanz noted that under Rick's proposal, South Metro has actually overpaid in past years and there should be some credit available to them. Kevin Urie suggested that SPWRAP credit South Metro any payments exceeding \$50 for the past three years, and charge Stonegate and Pinery individual assessments for all three years. Lisa agreed with Kevin's suggestion as she thought it was fair and consistent. John Altenhofen noted that NISP members may need to begin thinking about joining SPWRAP if they are not currently members. This may be a future issue.

11. ADJOURN

The meeting adjourned at 12:20 pm.

Next Meeting of the Board of Directors:

July 23, 2009 – Tour

September 17, 2009 – Denver Water

Respectfully submitted,

A handwritten signature in cursive script that reads "Greg Dewey".

Greg Dewey
Secretary, SPWRAP, Inc.